

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 190 Section 190.120 How to Avoid Paying Tax on Automobile Renting Use Tax Collected from the Rentee</b>
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**TITLE 86: REVENUE**

**PART 190  
AUTOMOBILE RENTING USE TAX**

**Section 190.120 How to Avoid Paying Tax on Automobile Renting Use Tax Collected  
from the Rentee**

- a) Taxable rental receipts, on the basis of which Automobile Renting Use Tax must be collected and remitted to the Department in transactions that are subject to the Automobile Renting Use Tax despite being exempt from the Automobile Renting Occupation Tax because of interstate commerce, do not include separately stated charges which are added to the rental price on account of the rentor's duty to collect the Automobile Renting Use Tax.
- b) If a rentor does not keep a detailed record for the return period of the Automobile Renting Use Tax which he collects so as clearly to segregate these added charges from other receipts, absent information to the contrary, it will be assumed that the Automobile Renting Use Tax collected equals 5% of the taxable receipts received in such return period from taxable automobile rentals if the rentor collects the Automobile Renting Use Tax in accordance with the bracket system prescribed by the Department in 86 Ill. Adm. Code 150.Table A and states such tax to rentees separately from the rental price of the automobile as the rentor is required to do.
- c) The rentor may eliminate the amount of Automobile Renting Use Tax he collects from total rental receipts to arrive at his taxable rental receipts by subtracting the amount collected from the rentee as Automobile Renting Use Tax, as shown by such rentor's books and records, from those total rental receipts. The rentor may also accomplish this result by subtracting, from the total rental receipts which he receives from taxable automobile rentals, the figure obtained by dividing such rental receipts by 105 and multiplying the result by 5.
- d) In collecting the Automobile Renting Use Tax from a rentee, the rentor must state the tax *as a distinct item separate and apart from the rental price of the automobile*. If the tax is not stated as a separate item, it will be irrebutably presumed that the tax was not collected from the rentee, and the rentor will be entitled to no deduction from total rental receipts for collection of the tax from the rentee. The best evidence that the tax was stated as a separate item is a receipt given to the rentee which shows the tax as a *distinct item separate and apart from the rental price of the automobile*. (Section 4 of the Act).

**(Source:** Amended at 16 Ill. Reg. 4867, effective March 12, 1992)